

To/MS: Master Management  
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**Subject: Guidance Memo on Operating Under a Continuing Resolution (CR)**

As of tomorrow, we expect to be operating under the first of a series of CRs. A CR is a stopgap funding bill that will allow agencies to continue spending money. This first CR allows agencies to continue spending at the FY'02 level.

The first CR is expected to last from Oct 1 to Oct 4. The Congress is then expecting to pass a second CR that will go until Oct 11. On Oct 11, the Congress is expected to pass yet a third CR, after which they will go on recess until after the elections on Nov 9. The third CR could last until March.

I am sure that you do not want new guidance from the CFO every few days. Thus, I would ask you to adhere to the following guidance until we have a permanent appropriation.

1. In general, continue spending at the same rate as you have been spending. That rate should include contributions from supplemental appropriations. (i.e. Safeguards and Security can spend at their total current rate.)
2. Assume that program funds carried forward from FY'02 into FY'03 at the ECOR level will be available to programs. This does not mean that divisions have access to such funds - unless the appropriate program office has approved.
3. Even if both the Senate and House Bills provides for an increase in FY'03, do not ramp up towards that increase. (e.g., DSW, High Temp Super Conductivity.)

4. No new starts. A new activity in an on-going program is not a new start (e.g. another hydro or sub-crit). Also GPPs, IGPPs and LDRD projects are part of the larger operating programs. New activities within larger programs are not new starts. New line-item construction projects are new starts.

5. Be conservative. Without knowing which mark will survive, start spending at the lower of the House or Senate mark, or be prepared to shift your spending patterns after the final bill is passed. Be aware that whatever you spend during the CR will come out of your final FY'03 budget. Specifically be concerned that:

\* There is no money for AHF in the House Bill and LANL's FY'03 FYNSP budget has been reduced. Nevertheless, you are authorized to spend on AHF activities at the FY'02 rate. Note that any funds spent on AHF activities during the CR would have to be absorbed within the LANL's part of the C3 account, should the final bill contain the House mark.

\* There is no money for the NE Spent Fuel Program (AAA follow-on) in the House Bill. Any funds spent on AAA activities during the CR would have to be absorbed within the NE account, should the final bill contain the House mark.

\* For ASC, the Senate is lower than FY'02 by \$7 million, and lower than the House by \$20 million.

\* For Pit Manufacturing and Certification, the House continues at the '02 level, and the Senate provides an extra \$50 million.

If you have questions regarding your authority to spend, please call your BUS Business Team Leader or BUS Program Manager. There is no up-side for taking risks under a CR.

TP:sp